



**ContainerPort
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Intermodal Container and Cargo Solutions

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OFFICE OF THE SECRETARY
FEDERAL MARITIME COMMISSION

Headquarters

ContainerPort Group, Inc.
1340 Depot Street, 2nd Floor
Cleveland, Ohio 44116
P: 440-333-1330
F: 440-333-1850

www.containerport.com

February 22, 2017

Ms. Rachel E. Dickon & Mr. Michael Khouri
Federal Maritime Commission
800 North Capitol Street N.W.
Washington, DC 20573-0001

RE: Petition of the Coalition for Fair Port Practices for Rulemaking [Petition No. P4-16]

Dear Assistant Secretary Dickon & Acting Commissioner Khouri,

My name is Robert Leef, Senior Vice President-East Region, with ContainerPort Group (CPG). CPG is a drayage operator with 18 terminals including the ports of NY/NJ, Philadelphia, PA, Baltimore, MD, Norfolk, VA and Savannah, GA. I am writing in response to the Federal Maritime Commission (FMC) *Federal Register* notice published on December 28, 2016 concerning a petition for rulemaking from the Coalition for Fair Port Practices. In this petition starting on page 120, CPG presented facts fully supporting the policy statement requested by the Coalition which would help bring about more reasonable demurrage and detention practices for cargo moving through our nation's seaports. This is not a commercial issue between parties but requires the FMC to begin a formal rulemaking on this matter as soon as possible. These problems and situations occur weekly in several ports along the east coast of the United States.

Since 1977, I have been involved in ocean transportation, first with US Lines, and then as an owner of a trucking company headquartered in New Jersey for 20 years, and since 2005, as an executive with CPG. Founded in 1971, CPG is one of the oldest and most respected international drayage carriers in the country. Our network of 18 terminals specializes in ocean container transportation. We are also the largest depot operator in the Midwest providing container-yard inspection and storage services for the steamship lines and other intermodal parties.

Our company has endured repeated incidents of severe congestion at container terminals in U.S. ports on the East Coast which have caused delays and unsustainable economic losses measured both in dollars and driver capacity. In addition to our sworn statements previously submitted, we experience long



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queuing lines outside the Marine Terminal Operators (MTO) in various port cities. Many MTO's now control their turn times by only letting a certain number of trucks into the terminal at a time. The fact that one MTO denies detention time based on when a vessel arrives illustrates that they are not equipped to handle regular predictable business volumes.

Whether these incidents involve weather, labor contract negotiations, the arrival of very large ships or other disruptions, the port delays are beyond our control. In the port of NY/NJ for the week of 2/20/2017-2/25/2017 two vessels are being diverted due to the bridge height restriction. These MTO's have already advised that there will be congestion problems. We believe that this is a perfect example of the petition before you. When the steamship lines and MTO's are aware due to operations they will be causing congestion, relief should be given to the shipping and drayage community. All too frequently shippers and truckers are being charged demurrage and detention penalties for late pickup or return of containers when it is not their fault. If the terminal is closed during normal working hours, or if a container is unavailable for pickup during the free time period due to congestion or other disruption at the port, carriers and terminals should not assess demurrage. The same is true for detention charges when attempts to return an empty container are frustrated. These are real costs that hurt American businesses and American competitiveness.

The Coalition for Fair Port Practices has proposed a policy statement that would help to stop this unfair practice. The FMC has the authority to ensure that demurrage and detention practices are fair and reasonable and it needs to act to address this problem.

The FMC has taken important steps to examine port congestion issues challenging carriers, shippers, terminals and intermediaries. As the next step, we urge you to grant the petition and open a rulemaking on the Coalition's policy statement to ensure that U.S. imports and exports are not burdened with unfair demurrage and detention charges.

Respectfully,

Robert L. Leef, Senior Vice President-East
ContainerPort Group, Inc.